



LEGISLATIVE COMMITTEE



Federal Transportation Update August 19, 2015

MAP-21 Extension (H.R. 3236)

Transportation and Veterans Health Care Choices Act

- Passed the U.S. House (385 to 14) on July 29th and the U.S. Senate (91 to 4) on July 30th and signed by the President on July 31st.
- Extends MAP-21 through **October 29th**.
- Maintains level funding for 3 months by backfilling the Highway Trust Fund with ≈**\$8.1B** in general fund offsets.

MAP-21 Extension (H.R. 3236)

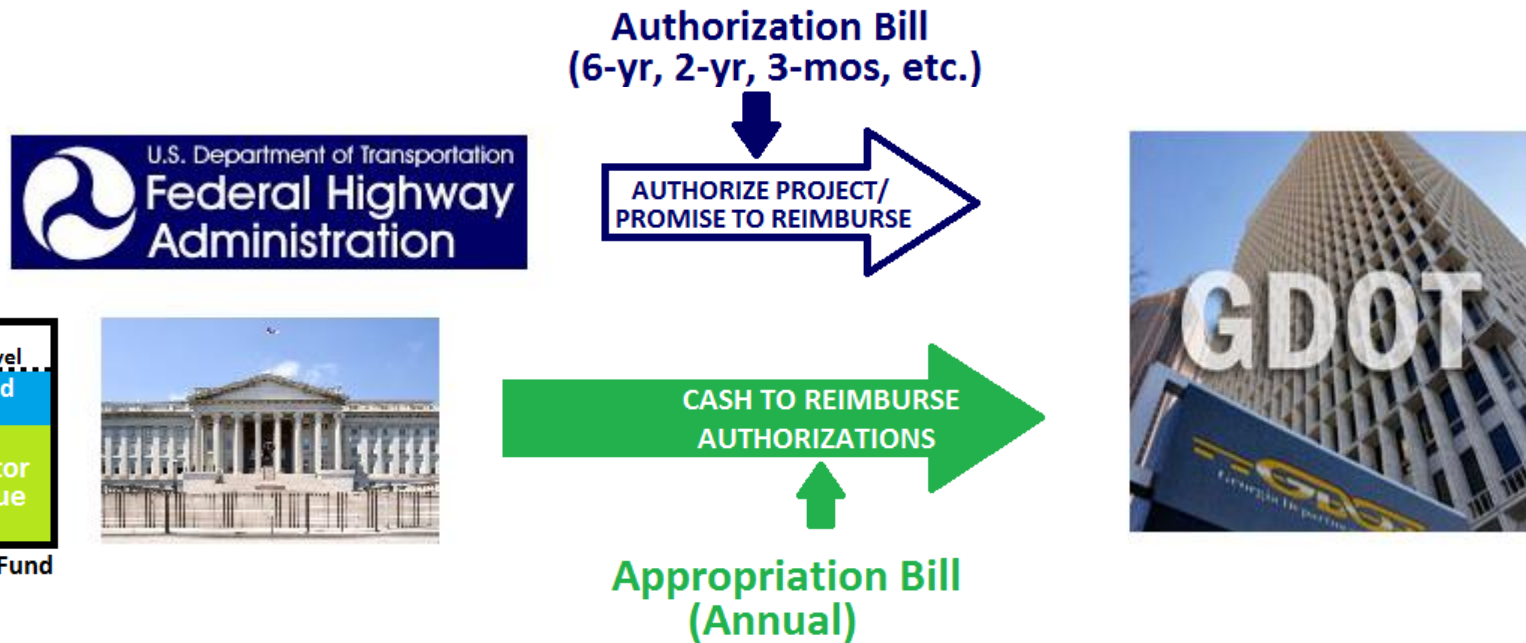
Transportation and Veterans Health Care Choices Act

- **≈\$8.1B** in general fund offsets are derived from various (mostly non-transportation) sources over the next 10 years:
 - \$3.2B—TSA Fee Extension (2022-2024)
 - \$1.5B—Estate Value Reporting upon Death (2015-2025)
 - \$1.2B—6-Year Rule & Understatement of Basis (2015-2025)
 - \$1.1B—Information Reporting on Mortgages (2015-2025)
 - \$314M—Partnership, S-Corp, & C-Corp Reporting (2015-2025)
 - \$172M—Defined Benefit Pension Plan Transfers (2021-2025)

Immediate Deadlines & Impact

- Federal transportation uncertainty beyond **Oct 29th** impacts planned lettings beyond October/November.
- Federal appropriations expire on **September 30th** impacting FHWA's ability to liquidate commitments.

Authorization & Appropriation



Long-term Authorization/DRIVE Act

- On July 30th, Senate passed H.R. 22, the Developing a Reliable and Innovative Vision for the Economy Act by a vote of 65 to 34.



- Authorizes surface transportation funding for 6 years (through FFY21) but only identifies sufficient funds to supplement the Highway Trust Fund (HTF) for 3 years.

DRIVE Act

- Transfers \$45.6B from the general fund to cover HTF shortfall for the first 3 years from various sources (including the same sources in the 3-month Extension)—highlighted below:
 - \$17.1B—Reduce Dividends for Reserve Banks
 - \$9.1B—Strategic Petroleum Reserve Drawdown
 - \$5.7B—Custom Fees Inflation Adjustment
 - \$3.5B—Security Service Fees Extension
 - ≈10 additional sources each generating \$2.5B or less.
- Includes increases to formula funding for states with the following projected apportioned contract authority estimates for Georgia:

Current FFY15	FFY16	FFY17	FFY18	FFY19	FFY20	FFY21
\$1.25B	\$1.31B	\$1.34B	\$1.39B	\$1.43B	\$1.47B	\$1.50B

DRIVE Act

- Retains the existing formula programs under MAP-21 (NHPP, STP, HSIP, CMAQ, etc.) though limiting some of the flexibility to use funds within and among the programs.
- Creates a new Freight program (\$382M over 6 years for Georgia) but limits the use of funds and includes various mandates such as a permanent advisory committee and plan updates which supersede Georgia's enacted Freight plan and process.
- Creates an Assistance for Major Projects grant program similar to the TIGER program with grant sizes ranging from \$10M to \$100M (\$1M minimum in rural areas).

DRIVE Act

- Includes provisions to **help** (at varying degrees) streamline and expedite project delivery such as indexing the ceiling for projects eligible for categorical exclusions, enabling for more programmatic categorical exclusion agreements, allowing DOTs to incur PE costs (at risk) prior to authorization—among other items.
- Includes other provisions that would have a more **negative impact** on project delivery such as requiring concurrence and not just coordination under EIS process with federal resources agencies during the scoping phase, slowing the process by requiring federal resource agencies' concurrence on project schedules early in the process—among other items.

Next Steps on DRIVE Act

- During August District Work Period, the House Transportation and Infrastructure Committee is reviewing the DRIVE Act and working on an amended or replacement version of the bill.
- Once the full U.S. House passes its version of the transportation authorization bill, the two chambers will likely go to a **conference committee** to resolve their differences—particularly on key issues:
 - Length of authorization—2-year/3-year/6-year.
 - Level of authorization funding—increase/level/reduced.
 - General fund source(s) to shore up Highway Trust Fund—major tax reform/repatriation/various unrelated sources.

Road Ahead Recap

- By **September 30th**, Congress will need to enact FFY16 appropriations for all federal agencies (including U.S. DOT).
 - Scenario 1: Appropriate funds for all FFY16.
 - Scenario 2: Continuing Resolution (CR) appropriating funds through Dec. or a shorter/later period.

- By **October 29th**, Congress will need to enact federal transportation authorization legislation.
 - Scenario 1: Enact a 2-month extension (possibly without additional general funds).
 - Scenario 2: Enact a “mini”-authorization of 2 or 3 years.
 - Scenario 3: Enact a 6-year authorization bill.



QUESTIONS?